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23 August 1956

MEMORANDUM FOR: Project Finance Officer

SUBJECT: Status of Funds, 1955-58

REFERENCE: SAPC 8517

1. I have examined this tabulation with care and find it, as always, a most valuable presentation.
2. I agree with you that the figures on Air Force participation in the present form are valueless and that these should be excluded from the tabulation entirely unless they can be improved upon greatly. I am also aware of the danger, such as it is, that we might be asked to supply detailed figures if we request them from the Air Force.
3. Under the circumstances, I suggest you proceed as follows: Begin by calling Colonel Geary and asking for a few minutes of his time the next time he is in our headquarters. On that occasion I suggest you show him this tabulation and explain it to him as fully as he desires. I have no hesitance whatever in giving him any and all information about the Project. I would then point out to him that our knowledge of Air Force financial participation is both incomplete and inaccurate and ask whether he feels it would serve a useful purpose to have an accurate joint financial statement. If he feels that it would be useful, I would then ask him to explore the possibility of obtaining the information you need in an accurate and usable form to make up such a statement. I am sure he will agree that the production of the joint statement (regardless of its circulation) should be our task and, if it is to be produced, the Air Force should supply us with the necessary numbers.

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4. Finally, I would discuss with him the circulation of a combined statement, if and when produced. My own position on the matter is that we should not be willing to provide any of our own cost data to the financial offices of the Pentagon, since these offices have no decisions to make and, therefore, no need to know with respect to our expenses. On the other hand, AQUATONE is a jointly sponsored project and a few senior policy makers in the Air Force do have a right to know how the total cost of the Project is running and of what it is composed. Accordingly, my suggestion would be that one copy of this report be furnished to Col. Geary and he be authorized to show it to a few senior officers as agreed between us to whom it would be of real interest and value. It should be explained to him that the statement is seen by only two or three people in CIA other than yourself and myself.

5. Most of the above is on the assumption that Col. Geary will see some value in an accurate joint statement. If he does not, I will probably wish to talk with him briefly on the matter. But, in any event, I believe the Air Force figures should be left out of further statements unless and until we have a more accurate basis for their inclusion.

(sgd) Richard M. Bissell, Jr.

RICHARD M. BISSELL, Jr.  
Project Director

RMB:pas  
cy 1-Fin. Offr.  
cy 2-Dep. Proj. Dir.  
cy 3-Dir/Admin  
cy 4-RMB Chrono  
cy 5-Proj. Chrono